

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF DUKE ENERGY) CASE NO. 2012-00363
KENTUCKY, INC.)

O R D E R

On December 29, 2009, in Case No. 2009-00202,¹ the Commission approved rates for Duke Energy Kentucky, Inc. ("Duke") and provided for their further adjustment in accordance with Duke's Gas Cost Adjustment ("GCA") clause.

On August 9, 2012, Duke filed its GCA to be effective August 29, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Duke's notice includes rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Duke's Expected Gas Cost ("EGC") is \$4.682 per Mcf, which is a decrease of \$.071 per Mcf from its previous EGC of \$4.753 per Mcf.
3. Duke's notice sets out its current quarter Refund Adjustment ("RA") of (\$.014) per Mcf. Duke's total RA is (\$.017) per Mcf, which represents a decrease of \$.013 per Mcf from its previous total RA of (\$.004) per Mcf.

¹ Case No. 2009-00202, Application of Duke Energy Kentucky, Inc. for an Adjustment of Rates (Ky. PSC Dec. 29, 2009).

4. Duke's notice sets out its current quarter Actual Adjustment ("AA") of (\$.161) per Mcf. Duke's total AA is (\$.182) per Mcf, which represents an increase of \$.147 per Mcf from its previous total AA of (\$.329) per Mcf.

5. Duke's notice sets out its current quarter Balancing Adjustment ("BA") of (\$.005) per Mcf. Duke's total BA of \$.042 per Mcf represents a decrease of \$.006 per Mcf from its previous total BA of \$.048 per Mcf.

6. Duke's Gas Cost Recovery ("GCR") rate is \$4.525 per Mcf, which is an increase of \$.057 per Mcf from its previous GCR of \$4.468 per Mcf.

7. The rates as proposed by Duke and set forth in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Duke on and after August 29, 2012.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Duke and set forth in the Appendix to this Order are approved for final meter readings on and after August 29, 2012.

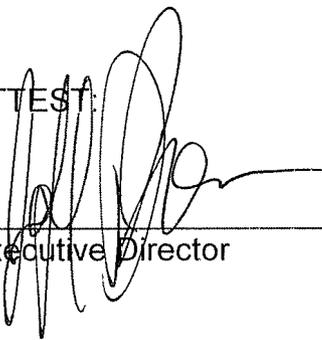
2. Within 20 days from the date of this Order, Duke shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED 
AUG 21 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00363 DATED AUG 21 2012

The following rates and charges are prescribed for the customers served by Duke Energy Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GAS SERVICE RATES

RATE RS
RESIDENTIAL SERVICE

| | <u>Base Rate</u> | | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|------|--------------------------------|-----------------------|
| Commodity Charge for All Ccf Consumed | \$.37213 | plus | \$.4525 | \$.82463 |

RATE GS
GENERAL SERVICE

| | <u>Base Rate</u> | | <u>Gas Cost Adjustment</u> | <u>Total Rate</u> |
|--|----------------------|--|--------------------------------|-----------------------|
| Commodity Charge for All Ccf Consumed | \$.20530 | | \$.4525 | \$.6578 |

RIDER GCAT
GAS COST ADJUSTMENT TRANSITION RIDER

The amount of this charge or (credit) shall be (\$.0157) per 100 cubic feet. This rate shall be in effect during the months of September 2012 through November 2012 and shall be updated quarterly, concurrent with the Company's GCA filings.

John Linton
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Cincinnati, OH 45201